

ForeFront Portfolio
General Terms and Conditions Section

DECLARATIONS

HDFC CHUBB GENERAL INSURANCE
COMPANY LIMITED
(herein called the Company)
5TH floor, Express Tower, Nariman Point,
Mumbai – 400 001
Maharashtra - India

Policy Number:

Item 1. Principal Organisation:
(name & address of Registered Office):

Item 2. Policy Period:

- (A) From 12.01 A.M. on
 - (B) To 12.01 A.M. on
- Local time at the address shown in Item 1.

Item 3. Limits of Liability

- (A) Maximum Limit of Liability for the **Liability Coverage Section:** Rs.
- (B) Maximum Limit of Liability for the **Crime Coverage Section:** Rs.
- (C) Combined Maximum Aggregate Limit of Liability for all **Coverage Sections**
for each **Policy Period:** Rs.

Item 4. Endorsement(s) Effective at Inception:

In witness whereof, the Company has caused this policy to be signed by its Authorised Employee.

Date

Authorised Employee

Whereas the **Insured** by a **Proposal** has applied to the Company for the insurance hereinafter contained and in consideration of payment of the premium and receipt thereof by the Company and subject to the terms and conditions of this policy, the Company and the **Insured** agree as follows:

1. TERMS AND CONDITIONS

Except for these General Terms and Conditions or unless stated to the contrary in any **Coverage Section**, the terms and conditions of each **Coverage Section** apply only to that **Coverage Section**. If any provision in these General Terms and Conditions is inconsistent or in conflict with the terms and conditions of any **Coverage Section**, the terms and conditions of such **Coverage Section** shall prevail for purposes of that **Coverage Section**.



ForeFront Portfolio
General Terms and Conditions Section

2. GENERAL DEFINITIONS

These General Definitions apply to all **Coverage Sections** in addition to any specific definitions that may apply in each **Coverage Section**. In the event of a conflict between these General Definitions and a specific definition in any **Coverage Section**, the specific definition shall prevail. Any words in bold print in these General terms and Conditions not defined herein shall have the meaning indicated in the definitions section of the relevant **Coverage Section**.

Coverage Section means the **Liability Coverage Section** and the **Crime Coverage Section** or either of them as appropriate.

Crime Coverage Section means the Employee Theft and Investigative Costs Insuring Clauses of this policy, if purchased.

Insured means, with respect to these General Terms and Conditions, an **Insured Organisation** or **Insured Persons**.

Liability Coverage Section means the Directors & Officers Liability, Employment Practices Liability, Trustees Liability, Outside Directorship Liability and Internet Liability Insuring Clauses of this policy, if purchased.

Policy Period means the period of time set forth in Item 2 of the Declarations, subject to any prior termination in accordance with Section 12. Termination of Policy, of these General Terms and Conditions.

Principal Organisation means the organisation designated in Item 1 of the Declarations.

Proposal means all signed proposals, including attachments and materials incorporated therein, submitted by the **Insureds** to the Company for this policy or any policy issued by the Company of which this policy is a direct or indirect renewal or replacement. All such proposals, attachments and materials are deemed attached to, incorporated into and made a part of this policy.

3. TERRITORY AND CHOICE OF LAW

Coverage shall extend anywhere in the world provided that if the **Crime Coverage Section** is purchased coverage with respect to that **Coverage Section** shall extend anywhere in the world other than to any **Excluded Territory**.

The construction and enforcement of the provisions of this policy shall be determined in accordance with and governed by the laws of the Republic of India. Except as provided for in section 16. Allocation, of the **Liability Coverage Section** any disputes relating to the construction and enforcement of this policy shall be submitted to the exclusive jurisdiction of the courts of the Republic of India.

4. LIMIT OF LIABILITY

The Company's maximum aggregate liability for the **Liability Coverage Section** and the **Crime Coverage Section** combined during a **Policy Period** shall be the Combined Maximum Aggregate Limit of Liability for all **Coverage Sections** set forth in Item 3(C) of the Declarations.

5. DEDUCTIBLE

If a single **Loss** or loss with respect to the **Crime Coverage Section** is covered by more than one **Coverage Section** and if more than one Deductible Amount applies to such **Loss** or loss with respect to



ForeFront Portfolio
General Terms and Conditions Section

the **Crime Coverage Section**, the applicable Deductible Amounts shall be applied separately to each **Loss** or loss with respect to the **Crime Coverage Section** but the sum of such Deductible Amounts shall not exceed the largest applicable Deductible Amount.

6. NOTICE

Any notice to the Company with respect to any **Coverage Section** shall designate the Insuring Clause and **Coverage Section** under which the notice is being given and shall be treated as notice under only the Insuring Clause and **Coverage Section** so designated.

All notices to the Company under this policy shall be given in writing at the Company's address set forth in the Declarations. All notices to the **Insured** under this policy shall be given in writing at the **Principal Organisation's** address set forth in Item 1 of the Declarations.

Any such notice shall be effective on the date of receipt by the Company at or the **Principal Organisation** at such address.

7. REPRESENTATIONS

In granting coverage the Company has relied upon the statements, representations and information in the **Proposal** and any other information published, issued or disclosed by or on behalf of an **Insured** regarding any **Insured**. All such statements, representations and information are the basis of this coverage and shall be incorporated in and constitute part of this policy.

8. VALUATION AND FOREIGN CURRENCY

All premiums, limits, Deductible Amounts, **Loss**, loss with respect to the **Crime Coverage Section** and other amounts under this policy are expressed and payable in the currency of the Republic of India. If judgment is rendered, settlement is denominated, or another element of **Loss** is stated in a currency other than Indian rupees, then payment under this policy shall be made in Indian rupees at the mid rate of exchange of the Reserve Bank of India published on the date the final judgment is reached, the amount of the settlement is agreed upon or any element of **Loss** or loss with respect to the **Crime Coverage Section** is due, respectively.

9. SUBROGATION

In the event of any payment under this policy, the Company shall be subrogated to the extent of such payment, to all the **Insureds'** rights of recovery, and such **Insureds** shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the Company effectively to bring suit in the name of each **Insured**.

10. BANKRUPTCY OR INSOLVENCY

The bankruptcy, winding up, receivership or insolvency of an **Insured** or the estate of an **Insured** shall not relieve the Company of its obligations nor deprive the Company of its rights under this policy.

11. AUTHORISATION

By acceptance of this policy, the **Principal Organisation** agrees to act on behalf of all **Insureds** with respect to the giving and receiving of notice of **Claim** or termination, the payment of premiums and the receiving of any return premiums that may become due under this policy, the negotiation, agreement to and acceptance of endorsements, and the giving or receiving of any notice provided for in this policy



ForeFront Portfolio

General Terms and Conditions Section

(except the giving of notice to apply for an Extended Reporting Period), and each **Insured** agrees that the **Principal Organisation** shall act on their behalf.

12. ALTERATION AND ASSIGNMENT

No change in, modification of, or assignment of interest under this policy shall be effective except when made by a written endorsement to this policy which is signed by an authorised employee of the Company.

13. TERMINATION OF POLICY

Without prejudice to the rights and remedies at law of each party, this policy shall terminate at the earliest of the following times:

- (a) seven (7) days after receipt by the **Principal Organisation** of a written notice of cancellation from the Company in which instance the Company shall return to the **Principal Organisation** the proportion of the premium paid by it which corresponds to the unexpired **Policy Period**. Payment or tender of premium by the Company shall not be a condition to the effectiveness of a notice of cancellation but such payment shall be made as soon as practicable thereafter. The written notice of cancellation from the Company shall be by Registered Post Acknowledgement Due to the **Principal Organisation** at its Registered Address set forth in Item 1 of the Declarations;
- (b) seven (7) days after receipt by the Company of a written notice of cancellation from the **Principal Organisation** in which instance the Company shall retain premium for the period that this policy has been in force calculated in accordance with its short period scales as set forth in the table below, provided that no **Claim** has been made or loss reported up to and including the date of the cancellation of this policy;
- (c) upon expiration of the **Policy Period** as set forth in Item 2 of the Declarations; or
- (d) at such other time as may be agreed upon in writing by the Company and the **Principal Organisation**.

The Company shall have no obligation to give notice that the policy is due for renewal or renew this policy upon expiration or termination.

Table of Short Period Scales	
Period of Risk(Not exceeding)	Premium to be retained by the Company (% of the Annual Rate).
1 week	10%
1 month	25%
2 months	35%
3 months	50%
4 months	60%
6 months	75%
8 months	85%
Exceeding 8 months	Total Annual Premium

14. POLICY CONSTRUCTION

In this policy:

- (a) the title and any headings or sub-headings are solely for convenience and form no part of the terms and conditions of coverage;
- (b) the Declarations for these General Terms and Conditions and the Schedule to each **Coverage Section** are part of and form an integral part of this policy;



ForeFront Portfolio
General Terms and Conditions Section

- (c) references to a section and a Schedule refers to a section in and Schedule to the relevant **Coverage Section**;
- (d) the singular includes the plural and the plural includes the singular, unless otherwise indicated;
- (e) a reference to this policy includes these General Terms and Conditions and each **Coverage Section** unless otherwise indicated; and
- (f) a reference to one gender includes the other gender.

16. OTHER INSURANCE

To the extent that any **Loss** arising from any **Claim** made against any **Insured** under any **Liability Coverage Section** or any loss sustained by any **Insured** under the **Crime Coverage Section**, is insured under those policies listed in the **Proposal** or any other policy, prior or current, then this policy shall cover such **Loss** with respect to the **Liability Coverage Section** or loss with respect to the **Crime Coverage Section**, subject to its terms and conditions, only to the extent that the amount of such **Loss** with respect to the **Liability Coverage Section** or loss with respect to the **Crime Coverage Section** is in excess of the applicable retention or deductible and limit of liability of such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limit of Liability provided in this policy. Any payment by **Insureds** of a retention or deductible under such other insurance shall deplete, by the amount of such payment, the applicable Deductible Amount under this policy.

17. CONFORMITY

The provisions of this policy shall be read subject to any laws governing its construction. If any provision of this policy is inconsistent with any such laws then:

- (a) where such provision can be read so as to give it a valid and enforceable operation of a partial nature it shall be read to the extent necessary to achieve that result;
- (b) in any other case such provision shall be severed from this policy in which event the remaining provisions shall operate as if the severed provision had not been included.

18. ACTION AGAINST THE COMPANY

No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy. The **Insured** shall have no right under this policy to join the Company as a party to any action against the **Insured** to determine such **Insured's** liability nor shall the Company be impleaded by such **Insured** or legal representatives of such **Insured**. Nothing herein shall be construed as a waiver by the Company of this obligation of compliance, or any part thereof, absent any express written consent by the Company to such waiver.

19. GRIEVANCE REDRESSAL AND ARBITRATION

Any **Insured** who has a grievance against the Company arising under, out of, in connection with or in relation to this policy, or to its existence, validity or termination, or to the determination of any amounts payable under this policy, may, personally or through their legal heirs, make a complaint in writing to the Indian Insurance Ombudsman in accordance with the procedure contained in The Redressal of Public Grievance Rules, 1998, as amended. Provided that, in accordance with Rule 16(2) of the Ombudsman Rules, any compensation awarded by the Ombudsman will be limited to the lower of the amount necessary to cover the loss suffered by the **Insured** as a direct consequence of the insured peril or Rupees Twenty Lakhs only (Rs. 20 lakhs), inclusive of any ex-gratia and other expenses. At the prior written request of the **Insured**, the Company shall make available a copy of said Rules to such **Insured**.



ForeFront Portfolio

General Terms and Conditions Section

Subject to the foregoing, any and all disputes or differences which may arise under, out of, in connection with or in relation of this policy, or to its existence, validity or termination, or to the determination of any amounts payable under this policy, shall be referred for resolution by binding arbitration at Mumbai, in accordance with the provisions of the Indian Arbitration and Conciliation Act, 1996, as amended.

Provided, however, that no such dispute or difference shall be referred to arbitration, if the same is already the subject matter of a complaint pending before the Insurance Ombudsman. Should the dispute or difference which is the subject matter of complaint before the Insurance Ombudsman not be resolved in that forum, then such dispute or difference will be referred to binding arbitration, in accordance with the Indian Arbitration and Conciliation Act, 1996, as amended.

Arbitration shall be conducted as follows:

- (i) All proceedings in any arbitration shall be conducted in English and a daily transcript in English of such proceedings shall be prepared.
- (ii) Within thirty (30) days after either the Company or the **Insured** issues notice under this section, the parties shall each appoint one arbitrator. The two arbitrators shall appoint a third arbitrator, who shall serve as the presiding arbitrator. All three arbitrators shall be required to have at least five (5) years' experience in general insurance, either as lawyers or as underwriters.
- (iii) The arbitrators shall have the power to give injunctive relief and such other relief to the extent appropriate.
- (iv) The arbitrators shall have the power to award interest up to the date of payment of any monies due under the award. The arbitrators shall have no authority to award punitive, aggravated or exemplary damages.
- (v) The parties shall each bear their own costs associated with the arbitration and shall share equally in the costs of the arbitration proceedings and presiding arbitrator.
- (vi) When any dispute is under arbitration, except for the matters under dispute the parties shall continue to exercise their remaining respective rights and fulfil their remaining respective obligations under this policy.

The arbitration award shall be final and binding on the parties. Judgment upon the award rendered may be entered in any court having jurisdiction, or application may be made to such court for a judicial recognition of the award or an order of enforcement thereof, as the case may be.

20. FRAUD

Any person, who, knowingly and with intent to defraud the Company or other person, files a proposal for insurance containing any false information concerning any fact material thereto, commits a fraudulent insurance act which will render the policy voidable at the Company's sole discretion and result in a denial of insurance benefits.

If a **Claim** is in any respect fraudulent, or if any fraudulent or false plan, specification, estimate, deed, book, account entry, voucher, invoice or other document, proof or explanation is produced, or any fraudulent means or devices are used by the **Insured**, policyholder, beneficiary, claimant or by anyone acting on their behalf to obtain any benefit under this policy, or if any false statutory declaration is made or used in support thereof, or if loss is occasioned by or through the procurement or with the knowledge or connivance of the **Insured**, policyholder, beneficiary, claimant or such other person acting on their behalf, then all benefits under this policy are forfeited and all premium paid hereon shall be forfeited to the Company at the Company's sole discretion.

STATUTORY NOTICE: "INSURANCE IS THE SUBJECT MATTER OF SOLICITATION"



ForeFront Portfolio
Crime Coverage Section

Whereas the **Insured Organisation** by a **Proposal** has applied to the Company for the insurance hereinafter contained and in consideration of payment of the premium and receipt thereof by the Company and subject to the terms and conditions of this policy, the Company and the **Insured Organisation** agree as follows:

1. **Insuring Clauses**

A. *Employee Theft Coverage*

Direct loss of **Money, Securities** or other personal property incurred by an **Insured Organisation** and caused by **Theft** or **Forgery** committed by an **Employee** whether acting alone or in collusion with others, after the **Original Inception Date**, which **Theft** or **Forgery** is **Discovered** and written notice thereof is given to the Company in accordance with section 5 and provided such loss is sustained during the **Policy Period**.

B. *Investigative Costs Coverage*

Investigative Costs incurred by an **Insured Organisation**.

2. **Definitions**

When used in bold type in this **Coverage Section**:

Discovery or **Discovered** means knowledge of an **Executive Officer** or **Insurance Representative** of facts which would cause a reasonable person to believe that a direct loss of a **Money, Securities** or other personal property incurred by an **Insured Organisation** and caused by **Theft** or **Forgery** committed by an **Employee** whether acting alone or in collusion with others has occurred or acts have taken place that may subsequently result in such loss. This includes loss which does not exceed the Deductible Amount as set forth in the Schedule or the exact amount or details of which are unknown. **Discovery** or **Discovered** shall not include knowledge acquired by an **Executive Officer** or **Insurance Representative**, whether acting alone or in collusion with another **Employee** or any other person, who is a participant in the **Theft** or **Forgery**.

Employee means a natural person:

- a. while in the regular service of an **Insured Organisation** in the ordinary course of such **Insured Organisation's** business and whom such **Insured Organisation** has the right to govern and direct in the performance of such service whether such **Insured Organisation** compensates such person by salary, wages and/or commissions or whether such person is a volunteer;
- b. who is an **Executive Officer**;
- c. duly elected or appointed as a company director or trustee of an **Insured Organisation** while performing acts coming within the scope of the usual duties of an employee as described in paragraph a. of this definition; or
- d. assigned to perform duties within the scope of the usual duties of an employee, as described in paragraph a. of this definition, within **Premises** for an **Insured Organisation** by any agency



ForeFront Portfolio
Crime Coverage Section

furnishing temporary personnel on a contingent or part-time basis. However, this **Coverage Section** does not cover any loss caused by any such person if such loss is also covered by any insurance or sureties held by the agency furnishing such temporary personnel to an **Insured Organisation**.

Excluded Territory means any territory designated in Item 3 of the Schedule.

Executive Officer means a natural person, by whatever name called and whether or not a director of an **Insured Organisation**, who makes, or participates in making, decisions that affect the whole, or a substantial part of the business of such **Insured Organisation** or who has the capacity to significantly affect such **Insured Organisation's** financial standing.

Forgery means the signing of another natural person's name with the intent to deceive, but does not mean a signature that includes, in whole, one's own name, with or without authority, in any capacity for any purpose. Mechanically or electronically produced or reproduced signatures shall be treated the same as hand-written signatures.

Insurance Representative means an **Employee** designated to represent an **Insured Organisation** for the purpose of effecting and maintaining insurance.

Insured Organisation means the **Principal Organisation** and any **Subsidiary**.

Investigative Costs means reasonable expenses, (other than regular or overtime wages, salaries or fees of the directors, officers or employees of an **Insured Organisation** or office overheads, travel costs unrelated to a loss or other administration costs), incurred by an **Insured Organisation**, with the Company's prior written consent, in establishing the existence and amount of any direct loss covered in excess of the Deductible Amount under this **Coverage Section**, as set forth in Item 1 (B) of the Schedule. The reasonableness of such expenses shall be determined by the Company in its sole discretion.

Money means currency, coin, bank notes and bullion.

Original Inception Date means the date as set forth in Item 5 of the Schedule.

Policy Period means the period of time set forth in Item 2 of the Declarations, subject to any prior termination in accordance with Section 12. Termination of Policy, of the General Terms and Conditions.

Principal Organisation means the organisation designated in Item 1 of the Declarations.

Premises means the interior of any building occupied by an **Insured** in conducting its business.

Securities means negotiable and non-negotiable instruments representing a share, participation or other interest in the property or enterprise of an entity, such as company stock or bonds.

Subsidiary means, at the time of the occurrence of a loss, any organisation in which more than 50% of the issued shares or voting rights representing the present right to vote for election of directors of such organisation is or was owned or controlled, directly or indirectly, in any combination, by an **Insured Organisation**.

Theft means the unlawful or dishonest taking of **Money**, **Securities** or other personal property with the intent to deprive an **Insured Organisation** of such **Money**, **Securities** or personal property.

Any words in bold print in this **Coverage Section** not defined herein shall have the meaning indicated in Section 2. GENERAL DEFINITIONS, of the General Terms and Conditions.



ForeFront Portfolio
Crime Coverage Section

3. **Exclusions**

No coverage is available under this **Coverage Section** for:

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|-----------------------------------------------|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Confidential Information | a. | loss of any trade secret, confidential processing method or other confidential information of any kind; |
| Theft by Partner | b. | loss caused or contributed to by Theft, Forgery or any fraudulent, dishonest or criminal act committed by a partner in an Insured Organisation that is a partnership, whether acting alone or in collusion with others; |
| War | c. | loss or damage due to war (whether declared or not); civil war; insurrection; rebellion or revolution; military, naval or usurped power; governmental, intervention, expropriation or nationalisation; or any act or condition incident to any of the foregoing; |
| Loss of Income | d. | loss of income by an Insured Organisation as the result of Theft or Forgery ; |
| Consequential Loss | e. | indirect or consequential loss or damage of any kind; |
| Known Dishonesty | f. | loss sustained by an Insured Organisation :

(i) after an Executive Officer or Insurance Representative becomes aware of a Theft, Forgery , or fraudulent, dishonest or criminal act committed by an Employee while employed with an Insured Organisation ;

(ii) after an Executive Officer or Insurance Representative becomes aware of a Theft, Forgery or fraudulent, dishonest or criminal act, involving Money, Securities or other personal property in an amount or valued at R1,000,000 or more, committed by an Employee prior to employment with an Insured Organisation ; |
| Legal Proceedings | g. | fees, costs or expenses incurred or paid by an Insured Organisation in prosecuting or defending any legal proceeding or claim; |
| Exchange or Purchase | h. | loss due to an Insured Organisation knowingly having given or surrendered Money, Securities or property in any exchange or purchase with a third party who is not in collusion with an Employee ; |
| Insured Advantage | i. | loss sustained by one Insured Organisation to the advantage of any other Insured Organisation ; |
| Safe Deposit or Armoured Motor Vehicle | j. | loss of or damage to Money, Securities or property while in the custody of any bank, trust company, similar recognised place of safe deposit, armoured motor vehicle company or any person who is authorised by an Insured Organisation to have custody of such Money, Securities or property; provided that this Exclusion shall not apply to the extent that coverage under this Coverage Section is excess of the amount recovered or received by the |



ForeFront Portfolio
Crime Coverage Section

		Insured Organisation under a contract, if any, with, or insurance carried by, any of the foregoing or any other insurance or indemnity in force which would cover the loss in whole or in part;
Prior Loss	k.	loss sustained or Discovered prior to the Original Inception Date of this Coverage Section ;
Employee Expenses	l.	salaries or expenses incurred by any Employee in establishing the existence or the amount of any loss covered under this Coverage Section ;
Agents	m.	loss caused by any agent, broker, factor, commission merchant, consignee, contractor, subcontractor or similar representative, other than an Employee ;
Trading	n.	loss resulting directly or indirectly from trading of Money, Securities or property, whether or not in the name of an Insured Organisation and whether or not in a genuine or fictitious account;
Costs of Reproduction	o.	the cost of reproducing any information contained in any lost, stolen or damaged records, accounts, ledgers, discs, tapes, CD Roms or any other storage media; or
Excluded Territory	p.	loss sustained by an Insured Organisation in an Excluded Territory .

4. Limit of Liability and Deductible

- a. The Company's maximum liability for each loss covered under this **Coverage Section** shall be the Limit of Liability as set forth in Item 1.A(i) of the Schedule. The Company's maximum aggregate liability for all loss during each **Policy Period** shall be the Limit of Liability as set forth in Item 1.A(ii) of the Schedule.
 - b. The Company's maximum liability for **Investigative Costs** during each **Policy Period** shall be the sub-limit of liability set forth in Item 1.B of the Schedule.
 - c. To the extent that a loss is covered in a **Policy Period**, the Limit of Liability set forth in item 1.A.(i) of the Schedule in respect of that loss is part of and not in addition to the Limit of Liability set forth in 1.A(ii) of the Schedule for that **Policy Period**. The Limit of Liability set forth in item 1.B of the Schedule is a sub limit which are part of and not in addition to the Limit of Liability set forth in Items 1.A(i) and 1.A(ii) above.
 - d. The Company's maximum aggregate liability for this **Coverage Section** and the **Liability Coverage Section**, combined, under this policy during a **Policy Period** shall be the Combined Maximum Aggregate Limit of Liability for all **Coverage Sections** set forth in Item 3(C) of the Declarations for the General Terms and Conditions.
 - e. All loss resulting from a single act or number or series of acts committed by the same **Employee**, or in which the same **Employee** is concerned or implicated, will be treated as a single loss.
 - f. The Company's liability under this **Coverage Section** shall apply only to that part of covered loss which is excess of the applicable Deductible Amount set forth in Item 2 of the Schedule. Such Deductible Amount shall be depleted only by loss otherwise covered by this **Coverage Section** and shall be borne by the **Insured Organisations** uninsured at their own risk.
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ForeFront Portfolio
Crime Coverage Section

5. Discovery

- a. It is a condition precedent to coverage hereunder that, upon **Discovery**, the **Principal Organisation** will give written notice to the Company at the earliest practicable moment, and in no event later than sixty (60) days after such **Discovery**.
- b. Knowledge possessed or **Discovery** made by any **Insured Organisation** shall be deemed knowledge possessed or **Discovery** made by all **Insured Organisations**.
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6. Proof of Loss and Legal Proceedings

It is a condition precedent to coverage hereunder that, upon **Discovery**, the **Principal Organisation** will:

- (i) furnish a proof of loss with full particulars to the Company at the earliest practicable moment and in no event later than six (6) months of such **Discovery**. The proof of loss shall be accompanied by any and all documents relevant to such loss, including but not limited to internal or external records of any kind, correspondence, legal documents or such other documents as the Company may deem necessary for claim handling. Such complete written notice and supporting documentation shall form the basis of the Company's assessment of loss;
- (ii) submit to examination under oath at the Company's request;
- (iii) produce all pertinent records at such reasonable times and places as the Company designates; and
- (iv) fully co-operate with the Company in all matters pertaining to a loss or claim.

The **Principal Organisation** may not offer, as a part of any proof of loss, any computation or comparison which involves in any manner a profit and loss computation or comparison. The **Principal Organisation** may offer a comparison between an **Insured Organisation's** inventory records and actual physical count of its inventory to prove the amount of loss, only where an **Insured Organisation** establishes that, wholly apart from such comparison, it has sustained a covered loss caused by an **Employee**.

Legal proceedings against the Company shall not be brought after two (2) years immediately following any **Discovery**.

7. Defence and Settlement

Each **Insured Organisation** agrees to provide the Company with all information, assistance and co-operation which the Company reasonably requires and that, in the event of a loss, such **Insured Organisation** will do nothing that may prejudice the Company's position or its potential or actual rights of recovery.

8. Valuation

The Company shall pay on the basis set out below in respect of the following categories of covered loss:

- a. loss in respect of **Securities**: the least of the: (1) actual market value of lost, damaged or destroyed **Securities** at the closing price of such **Securities** on the business day immediately preceding the day on which the loss is **Discovered**; or (2) cost of replacing the **Securities**. Such costs shall be paid by the Company on behalf of an **Insured Organisation**;
- b. loss in respect of books of account or other records: the cost of blank books, pages or tapes or other blank materials to replace lost or damaged books of account or other records; or



ForeFront Portfolio
Crime Coverage Section

- c. loss in respect of other personal property: the least of the price paid by an **Insured Organisation** for personal property or the cost to repair or replace such property with property of similar quality and value, at the time the **Principal Organisation** furnishes proof of loss in compliance with section 6.
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9. Recoveries

Recoveries with respect to any loss, whether effected by the Company or an **Insured Organisation**, less the actual cost of recovery, shall be distributed as follows:

- a. first, to the **Principal Organisation** for the amount of such loss, otherwise covered, in excess of the Limit of Liability;
- b. second, to the Company for the amount of such loss paid to the **Principal Organisation** as covered loss;
- c. third, to the **Principal Organisation** for the Deductible Amount applicable to such loss;
- d. fourth, to the **Principal organisation** for the amount of such loss excluded under this **Coverage Section**.

Recovery from reinsurance or indemnity of the Company shall not be deemed a recovery hereunder.

10. Acquisition or Creation of Another Organisation

- a. Subject to b. below, if an **Insured Organisation** during the **Policy Period**:

- i. acquires securities or voting rights in another organisation or creates another organisation which as a result of such acquisition or creation becomes a **Subsidiary**; or
- ii. acquires any organisation by merger into or consolidation with itself such that the **Insured Organisation** is the surviving entity,

then such organisation shall be an **Insured Organisation** under this **Coverage Section** solely for loss sustained after the date of such acquisition or creation.

- b. If:

- i. the total assets of such acquired or created organisation at the time of its acquisition or creation exceeds twenty-five per cent (25%) of the total assets of an **Insured Organisation** as reflected in the most recent audited, consolidated financial statements of the **Insured Organisation** and, in the case of such acquisition, the acquired organisation; or
- ii. such acquired or created organisation is located, incorporated, domiciled or operates in or has securities listed on an exchange in the United States of America or any territory under its jurisdiction,

the **Principal Organisation** shall give written notice of such acquisition or creation to the Company as soon as practicable, but no later than sixty (60) days after the date of such acquisition or creation, together with such information as the Company may require and shall pay any additional premium reasonably required by the Company. If the **Principal Organisation** fails to give such notice within the time specified in the preceding sentence, or fails to pay the additional premium required by the



ForeFront Portfolio
Crime Coverage Section

Company, coverage for such acquired or created organisation shall terminate sixty (60) days after such acquisition or creation. Coverage for any acquired or created organisation shall be subject to such additional or different terms and conditions as the Company, in its sole discretion, may require.

11. Cessation of Subsidiaries

If an organisation ceases to be a **Subsidiary**, before or during the **Policy Period**, then coverage for such **Subsidiary** shall cease as of the effective date of such cessation.

12. Merger or Acquisition of Insured Organisation

If, during the **Policy Period**, any of the following events occur:

- (a) another organisation or person or group of organisations or persons acting in concert acquires all or substantially all of the **Insured Organisation's** assets;
- (b) the **Insured Organisation** merges into or consolidates with another organisation such that the **Insured Organisation** is not the surviving organisation; or
- (c) another organisation or person or group of organisations or persons acting in concert acquires securities or voting rights which result in ownership or voting control by the other organisation(s) or person(s) of more than fifty percent (50%) of the outstanding securities representing the present right to vote for the election of directors of the **Insured Organisation**,

coverage shall terminate as of the occurrence of any event set forth in paragraphs (a) through (c) above.

Should any event as set forth in paragraphs (a) through (c) above occur, the entire premium for this **Coverage Section** will be deemed fully earned as of the occurrence of such event.

13. Authorisation

Only the **Principal Organisation** shall have any right to claim, adjust, receive or enforce payment of any loss and shall be deemed to be the sole agent of all **Insured Organisations** for such purposes and for the giving or receiving of any notice or proof required to be given by the terms hereof and for the purpose of effecting or accepting any amendments to or termination of this **Coverage Section**.

Each and every **Insured Organisation** shall be conclusively deemed to have consented and agreed that none of them shall have any direct or beneficial interest herein or any right of action hereunder whatsoever and that this **Coverage Section** or any right of action hereon shall not be assignable.

All losses and other payments, if any, payable by the Company, shall be payable to the **Principal Organisation**, without regard to such **Principal Organisation's** obligations to an **Insured Organisation** or others; and the Company shall not be responsible for the application of any payment made. If the Company shall agree to and shall make payment to an **Insured Organisation** other than the **Principal Organisation**, such payment shall be treated as though made to the **Principal Organisation**.



ForeFront Portfolio
Crime Coverage Section

14. **Ownership**

The Company's liability under this **Coverage Section** shall apply only to **Money, Securities** or personal property owned by an **Insured Organisation** or for which an **Insured Organisation** is legally liable, or held by an **Insured Organisation** in any capacity.

15. **Termination of Employee**

For the purposes of coverage under Insuring Clause 1.A, **Employee** shall include a previous **Employee** for a period of sixty (60) days following termination of employment with an **Insured Organisation**.

STATUTORY NOTICE: "INSURANCE IS THE SUBJECT MATTER OF SOLICITATION"



Whereas the **Insured** by a **Proposal** has applied to the Company for the insurance hereinafter contained and in consideration of payment of the premium and receipt thereof by the Company and subject to the terms and conditions of this policy, the Company and the **Insured** agree as follows:

Insuring Clauses
Directors and Officers
(D&O) Liability

- 1.
- A. (1) **Directors' and Officers' Liability Coverage**
The Company shall pay, on behalf of each **Insured Person**, **Loss** for which such **Insured Person** is not indemnified by an **Insured Organisation** on account of a **D&O Claim** first made during the **Policy Period**, or, if exercised, during the Extended Reporting Period.
- (2) **Company Reimbursement Coverage**
The Company shall pay, on behalf of an **Insured Organisation**, **Loss** for which such **Insured Organisation** grants indemnification to each **Insured Person**, as permitted or required by law, on account of a **D&O Claim** first made against such **Insured Person** during the **Policy Period**, or, if exercised, during the Extended Reporting Period.

Employment Practices
Liability

- B. The Company shall pay, on behalf of an **Insured**, **Loss** on account of an **Employment Claim** first made against such **Insured** during the **Policy Period**, or, if exercised, during the Extended Reporting Period.

Trustees Liability

- C. (1) **Trustees Liability Coverage**
The Company shall pay, on behalf of an **Insured**, **Loss** for which such **Insured** is not indemnified by an **Insured Organisation** or the **Trustees** of a **Trust Fund** on account of any **Trustees Claim** first made against an **Insured** during the **Policy Period**, or, if exercised, during the Extended Reporting Period.
- (2) **Trustees Reimbursement Coverage**
The Company shall pay:
- (a) On behalf of an **Insured Organisation**, **Loss** for which the **Insured** is indemnified by such **Insured Organisation**, as permitted or required by law;
- (b) On behalf of a **Trust Fund**, **Loss** for which an **Insured** (other than such **Trust Fund**) is indemnified by or out of the assets of the **Trust Fund**, as permitted or required by law;
- (c) On behalf of the **Trustee** which is a body corporate, **Loss** for which an **Insured** is indemnified by such **Trustee**, as permitted or required by law,
on account of a **Trustees Claim** first made against an **Insured** during the **Policy Period** or, if exercised, during the Extended Reporting Period.

Outside Directorship Liability
("ODL")

- D. (1) The Company shall pay on behalf of an **Insured Person**, **Loss** for which such **Insured Person** is not indemnified by an **Outside Entity** or an **Insured Organisation** on account of an **ODL Claim** first made against such **Insured Person**, individually or otherwise, during the **Policy Period** or, if exercised, during the Extended Reporting Period.



*Outside Directorship
Indemnification Coverage*

- (2) The Company shall pay, on behalf of an **Insured Organisation, Loss**, for which an **Outside Entity** does not grant indemnification, and for which such **Insured Organisation** grants indemnification to each **Insured Person**, as permitted or required by law, on account of an **ODL Claim** first made against such **Insured Person** during the **Policy Period**, or, if exercised, during the Extended Reporting Period.

Internet Liability

- E. The Company shall pay, on behalf of an **Insured, Loss** on account of an **Internet Claim** first made during the **Policy Period**, or, if exercised, the Extended Reporting Period, for a **Wrongful Act** occurring on or after the Retroactive Date as set forth in item 4 of the Schedule.

Extended Reporting Period

2. If this **Coverage Section** is terminated or not renewed by either the Company or the **Principal Organisation** for any reason, other than non-payment of premium, the **Insured** shall have the right, upon payment of the additional premium set forth in Item 8 (a) of the Schedule, to an extension of the coverage granted by this **Coverage Section** for **Claims** that are:
- (i) first made during the period set forth in Item 8(b) of the Schedule following the effective date of termination or non-renewal; and
 - (ii) reported to the Company in accordance with section 20 of this **Coverage Section**,

but only to the extent that such **Claims** are for **Wrongful Acts** occurring prior to the effective date of termination or non-renewal.

This right of extension shall lapse unless written notice of such election, together with payment of the additional premium due, is received by the Company prior to the effective date of termination or non-renewal.

Any **Claim** made during the Extended Reporting Period shall be deemed to have been made during the immediately preceding **Policy Period**.

If the Extended Reporting Period is purchased in accordance with this section then it cannot be cancelled by the **Insureds** or the Company and the entire premium noted in Item 8.(a) of the Schedule shall be deemed fully earned at the inception of the Extended Reporting Period.

**Spouses, Estates and
Legal Representatives
Extension**

3. Coverage shall extend to **Claims** for **Wrongful Acts** of an **Insured Person** made against:
- a. the estates, heirs, legal representatives, executors of the estate or assigns of such **Insured Person** who is deceased, or against the legal representatives or assigns of an **Insured Person** who is under a legal disability by reason of mental incapacity or is insolvent or bankrupt; and
 - b. the lawful spouse of such **Insured Person** if named as a co-



defendant with such **Insured Person** and solely by reason of such person's status as a spouse or such spouse's ownership interest in property which the claimant seeks as recovery for an alleged **Wrongful Act** of such **Insured Person**.

All terms and conditions of this policy, including without limitation the Deductible Amount, applicable to **Loss** incurred by an **Insured Person**, shall also apply to loss incurred by the estates, heirs, legal representatives, executors of the estate, assigns and spouses of such **Insured Person**. The coverage provided under this section shall not apply with respect to any loss arising from an act or omission by an **Insured Person's** estate, heirs, legal representatives, executors of the estate, assigns or spouse.

Definitions

4. When used in bold type in this **Coverage Section**:

Benefits means:

- a. with respect to any **Employment Claim**, perquisites, fringe benefits, payments in connection with an employee benefit plan and any other payment whatsoever, other than salary, wages or commission, to or for the benefit of an **Employee** arising out of the employment relationship. **Benefits** do not include **Stock Benefits**, Employee Stock Ownership Plans or Employee Stock Purchase Plans.
- b. with respect to a **Trustees Claim**, any amount payable to a beneficiary of a **Trust Fund** by the **Trustees** under the governing rules of such **Trust Fund**.

Breach of Employment Contract means any breach of any oral, written or implied contract or contractual obligation including but not limited to any such contract or obligation arising out of any personnel manual, employee handbook, policy statement or representation.

Claim means for the purpose of coverage under:

- a. Insuring Clause 1.A (1) and 1.A (2) a **D&O Claim**;
- b. Insuring Clause 1.B an **Employment Claim**;
- c. Insuring Clause 1.C(1) and (2) a **Trustees Claim**;
- d. Insuring Clause 1.D (1) and (2) an **ODL Claim**; and
- e. Insuring Clause 1.E an **Internet Claim**.

A **Claim** shall be deemed to have been made against an **Insured** on the date any **Insured** first received a written demand, the date that the proceeding is served upon any **Insured** by or pursuant to the rules of any court or tribunal or the filing of a notice of charges, formal investigative order or similar document from an administrative or regulatory agency.



Cyber Attack means the receipt or transmission of unauthorised instructions that are designed to modify, alter, damage, destroy, delete, record or transmit information within an **Insured Organisation's Internet Site** without the authorisation of the **Insured** including those instructions that are self-replicating or self propagating and are designed to contaminate other computer programmes or data, consume computer resources or in some fashion usurp the normal operation of an **Insured Organisation's Internet Site**.

Defence Costs means that part of **Loss** consisting of reasonable and necessary costs, charges, fees (including but not limited to legal counsel's fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the directors, officers or employees of an **Insured Organisation** or **Trustee** or office overheads, travel costs unrelated to a **Claim** or other administration costs) incurred in defending any **Claim** and shall also include the premium paid for insurance bonds which are required in order to institute an appeal but without any obligation on the part of the Company to furnish or procure such insurance bonds.

Discrimination means any violation of employment discrimination laws including any actual, alleged or constructive employment termination, dismissal, or discharge, employment demotion, denial of tenure, modification of any term or condition of employment, any failure or refusal to hire or promote, or any limitation, segregation or classification of any **Employee** or applicant for employment in any way that would deprive or tend to deprive any person of employment opportunities or affect his or her status as an **Employee** based on such person's race, colour, religion, creed, age, sex, disability, marital status, national origin, pregnancy, HIV status, sexual orientation or preference, or protected military status or other status that is protected pursuant to any law anywhere in the world.

D&O Claim means:

- a. a written demand for monetary damages or non-pecuniary relief;
- b. a civil proceeding including a third party proceeding or counterclaim;
- c. an arbitration, mediation or alternative dispute resolution proceeding;
- d. a criminal proceeding; or
- e. a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document,

against any **Insured Person** for a **Wrongful Act**, including any appeal therefrom, save that the meaning of **D&O Claim** shall not include any such matter that is an **Employment Claim**, a **Trustee Claim** or an **Internet Claim**.



Employee means a natural person in the regular service of an **Insured Organisation**, including part-time, seasonal, casual and temporary employees as well as volunteers, pursuant to a written contract of service between such person and an **Insured Organisation** whom the **Insured Organisation** compensates by salary or wages and has the right to control and direct both as to the result to be accomplished and the details and means by which such result is accomplished in the performance of such service. **Employee** shall not include any **Independent Contractor**.

Employee Entitlements means employee benefit arrangements of any kind (whether during or post employment) including:

- a. provision for unemployment, redundancy, retirement, sickness, disability, maternity leave, paternal leave, adoption leave, annual leave, long service leave, compassionate leave or personal leave;
- b. entitlements under any statutory law including the calculation, timing or manner of payment of minimum wages, prevailing wage rates, overtime pay, time in lieu, allowances and penalties alleged to be due and owing;
- c. accident, life, medical, disability or other welfare plans, including insurance of any kind;
- d. superannuation, retirement or pension contributions, benefits and entitlements; or
- e. **Stock Benefits**, profit sharing or deferred compensation plans.

Employment Claim means:

- a. a written demand for monetary damages or non-pecuniary relief;
- b. a civil proceeding, including a third party proceeding or counterclaim;
- c. an arbitration proceeding, mediation, conciliation or alternative dispute resolution proceeding; or
- d. formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document,

which is brought and maintained by or on behalf of any past, present or prospective **Employee** of an **Insured Organisation** against any **Insured** for any **Employment Practices Wrongful Act**, including any appeal therefrom.

Employment Practices Wrongful Act means any actual or alleged:

- a. **Breach of Employment Contract**;
- b. **Discrimination**;
- c. **Harassment**;
- d. **Retaliation**;
- e. **Workplace Tort**;
- f. **Wrongful Employment Decision**; or
- g. **Wrongful Termination**,

committed, attempted, or allegedly committed or attempted by any **Insured** before or during the **Policy Period**.



Executive Officer means a natural person, by whatever name called and whether or not a director of an **Insured Organisation**, who makes, or participates in making, decisions that affect the whole, or a substantial part of the business of such **Insured Organisation** or who has the capacity to significantly affect such **Insured Organisation's** financial standing.

External Administrator means a liquidator, including a liquidator appointed under Sections 449 and 450 of the Indian Companies Act, 1956, as amended, receiver, including a receiver appointed by the court under Order 40, Rule (1) of the Indian Code of Civil Procedure, 1908, as amended, receiver and manager, administrator, conservator or holder of similar office or position in any jurisdiction, appointed other than by an **Insured Organisation** or **Outside Entity**, as the case may be, whether under the provisions of any law anywhere in the world or pursuant to the provisions of any contract or other instrument.

Financial Impairment means: the status of an **Insured Organisation** or an **Outside Entity**, as the case may be, resulting from:

(a) with respect to an **Insured Organisation** or an **Outside Entity**, as the case may be, its status resulting from:

- i. the appointment by any tribunal, agency or court, or by a creditor, of an **External Administrator** to take control of, supervise, administer, manage or liquidate such **Insured Organisation** or such **Outside Entity** or its business or affairs;
- ii. such **Insured Organisation** or **Outside Entity** becoming a debtor in possession or taking any corporate action or commencing legal proceedings for its insolvent winding-up or dissolution, administration, receivership or insolvent corporate restructuring or an event occurring which has an analogous effect under the provisions of any law anywhere in the world;
- iii. a referral being made to the Board of Industrial and Financial Reconstruction under the provisions of the Indian Sick Industrial Companies (Special Provisions) Act, 1985, as amended; or
- iv. such **Insured Organisation** being unable to pay its debts as they fall due, commencing negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or making a general assignment for the benefit of or a composition with its creditors.

(b) with respect to a **Trustee**, the inability of such **Trustee** to indemnify an **Insured** for the whole or any part of **Loss** because the assets of a **Trust Fund**, are insufficient (after exhaustion of all rights of indemnity such **Trustee** may have, whether from an **Insured Organisation** or otherwise, and after exhausting all such assets as are available from such **Trust Fund**) to meet the amount of that **Loss**.



Financial Institution means any organisation that is a bank, building society, credit union, finance company, leasing company, friendly society, life insurance company, general insurance company, reinsurance company, investment company, mutual fund, collective investment scheme, fund manager, investment adviser, responsible entity of a managed investment scheme, trustee company, money market corporation, investment bank or any broker or dealer in securities or commodities, mortgage broker, real estate agent, stock exchange, commodities exchange, futures exchange, custodian, clearing house, registrar, medical benefits association or hospital benefits association or organisations of a similar nature.

Harassment means:

- a. sexual harassment, including unwelcome sexual advances, requests for sexual favours, or other conduct of a sexual nature that is made as a condition of employment with, used as a basis for employment decisions by, interferes with performance at or creates an intimidating, hostile or offensive working environment within, an **Insured Organisation**; or
- b. workplace harassment, including work related harassment of a non-sexual nature that interferes with performance at or creates an intimidating, hostile or offensive working environment within an **Insured Organisation**.

Independent Contractor means any natural person working for an **Insured Organisation** in the capacity of an independent contractor and pursuant to an **Independent Contractor Services Agreement** including any employee, agent or other representative thereof.

Independent Contractor Services Agreement means any express contract or agreement between an **Independent Contractor** and an **Insured Organisation** governing the **Insured Organisation's** engagement of such **Independent Contractor**.

Insured means:

- a. with respect to any **Claim** other than a **Trustee Claim**, an **Insured Organisation** and any **Insured Persons**; and
- b. with respect to any **Trustee Claim**, any **Trustee**; a **Trust Fund** and any **Insured Persons**.

Insured Capacity means the functions, duties and responsibilities which an **Insured Person** has been retained, appointed or employed to perform in their managerial, fiduciary or employed capacity within an **Insured Organisation** as designated in the definition of **Insured Person**. **Insured Capacity** shall not include any position or capacity in any organisation other than an **Insured Organisation**, even if such **Insured Organisation** directed or requested such **Insured Person** to serve in such other position or capacity.

Insured Organisation means the **Principal Organisation** and any **Subsidiary**.



Insured Person means any natural person who was, now is, or shall be a company director, company secretary or **Executive Officer** of an **Insured Organisation**, or the holder of an equivalent position to any of the above, in any jurisdiction provided that as respects any **Employment Claim** or **Internet Claim** only, **Insured Person** shall also include **Employees** of an **Insured Organisation**. With respect to a **Trustee Claim**, **Insured Person** shall mean any natural person who was, now is or shall be a director or officer of a **Trustee** that is a body corporate; a **Trustee**; a member of a **Policy Committee** of a **Trust Fund**; an **Employee** of a **Trustee**; or a director, officer or **Employee** of an **Insured Organisation** who is retained by such **Insured Organisation** to assist in the management of a **Trust Fund** for a fee pursuant to a written contract.

Internet Activities means:

- a. display or use of **Matter** on an **Internet Site**; or
- b. transmission of **Matter** via an **Internet Site**.

Internet Claim means:

- a. a written demand for monetary damages or non-pecuniary relief;
 - b. a civil proceeding including a third party proceeding or counterclaim; or
 - c. an arbitration proceeding, mediation, conciliation or alternative dispute resolution proceeding;
- against any **Insured** for a **Wrongful Act**, including any appeal therefrom.

Internet Site means those internet site(s) listed in Item 6 of the Schedule but shall not include any **Third Party Internet Sites** accessed by or through links from an **Insured Organisation's Internet Site**.

Loss means **Defence Costs** and the total amount which an **Insured** becomes legally obligated to pay on account of any covered **Claim**, including, but not limited to, (a) awards of damages; (b) judgments; (c) sums payable due to any settlements; and (d) awards of claimant's costs. **Loss** does not include:

- a. any amount for which an **Insured** is absolved from payment by reason of any covenant or agreement, other than indemnification of an **Insured Person** by an **Insured Organisation**, or order or determination of a tribunal or court;
 - b. any amount incurred by an **Insured Organisation** or a **Trustee** including in either case the board of directors or any committee of the board of directors of the preceding in connection with the investigation or evaluation of any **Claim** or potential **Claim** by or on behalf of any **Insured Organisation** or **Trustee**;
 - c. taxes, fines or penalties imposed by law;
 - d. punitive, aggravated or exemplary damages or the multiplied portion of any multiplied damage award;
 - e. matters uninsurable under the laws of the Republic of India;
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- f. any amount, other than **Defence Costs**, allocated to uncovered loss pursuant to section 17. Allocation, of this **Coverage Section**;
 - g. any amount incurred by an **Insured** in relation to a demand, proceeding or investigation which is not a **Claim** notwithstanding that such demand, proceeding or investigation subsequently gives rise to a **Claim**, unless otherwise agreed to by the Company, in its sole discretion.

Matter means printed, verbal, numerical, audio or visual expression, or any expression whatsoever, regardless of the medium through which such expression is made.

ODL Claim means:

- a. a written demand for monetary damages or non-pecuniary relief;
- b. a civil proceeding including a third party proceeding or counterclaim
- c. an arbitration, mediation or alternative dispute resolution proceeding;
- d. a criminal proceeding; or
- e. a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document,

against any **Insured Person** for a **Wrongful Act**, including any appeal therefrom, save that the meaning of **ODL Claim** shall not include any such matter that is an **Employment Claim**, a **Trustee Claim** or an **Internet Claim**.

Outside Directorship means the position of company director, officer, trustee, governor, councillor, company secretary or the holder of an equivalent position in any jurisdiction held by an **Executive Officer** of an **Insured Organisation** in an **Outside Entity** provided that such position is assumed and maintained at the request of such **Insured Organisation**.

Outside Entity means any organisation that is not an **Insured Organisation** and:

- a. whose governing documents prevent it from distributing profits or assets for the benefit of members, whether or not it is exempt from the payment of income tax under any law, regulation or by-law anywhere in the world;
- b. which is not registered or approved for direct or indirect trading on a national securities exchange or over the counter trading system anywhere in the world;
- c. which is not located, incorporated, domiciled or operates in the United States of America or any territory under its jurisdiction;
- d. which is a **Financial Institution**; or
- e. which is scheduled by endorsement to this **Coverage Section**.

Policy Committee means a board, committee or other body that is established by or under the governing rules of a **Trust Fund**.



Policy Period means the period of time set forth in Item 2 of the Declarations, subject to any prior termination in accordance with Section 12. Termination of Policy, of the General Terms and Conditions.

Pollutants means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by an environmental protection agency or any counterpart thereof. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapour, soot, fumes, acids, alkalis, chemicals or waste materials. **Pollutants** shall also mean any other air emission, odour, waste water, oil or oil products, infectious or medical waste, asbestos or asbestos products and noise.

Pollution means:

- a. the actual, alleged or threatened exposure to, or generation, storage, transportation, discharge, emission, release, escape, seepage, migration, dispersal, treatment, removal or disposal of **Pollutants**; or
- b. any regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **Pollutants**; or
 - 1 any action taken in response to or contemplation or anticipation of any such regulation, order, direction or request; or
 - 2 any action taken voluntarily to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **Pollutants**, whether or not in relation to any such regulation, order, direction or request;

including but not limited to any **Claim** for loss to an **Insured Organisation** or an **Outside Entity**, the holders of its securities or its creditors based upon, arising from, or in consequence of the matters described in a. or b. of this definition.

Product means any tangible property offered for sale or otherwise disseminated by or through any **Insured Organisation**. **Product** does not include **Matter** disseminated over an **Internet Site**.

Professional Services means services performed or required to be performed by an **Insured** for or on behalf of a customer of an **Insured Organisation** or such persons as notified by such customer to the **Insured Organisation** (1) for a fee, commission or other monetary consideration, including where all or part of the same may be waived by the **Insured Organisation** or (2) for any remuneration or compensation which inures to the benefit of such **Insured Organisation**.

Proposal means all signed proposals, including attachments and materials incorporated therein, submitted by the **Insureds** to the Company for this policy or any policy issued by the Company of which this policy is a direct or indirect renewal or replacement. All such proposals, attachments and materials are deemed attached to, incorporated into and made a part of this policy.



Related Claims means all **Claims** based upon, arising from, or in consequence of the same or related facts or circumstances or the same or related series of facts or circumstances.

Retaliation means retaliatory treatment against an **Employee** or **Executive Officer** on account of such individual:

- a. exercising his or her rights under law, including but not limited to rights under any workers compensation laws;
- b. refusing to violate any law;
- c. having assisted or testified in or cooperated with a proceeding or investigation regarding alleged violations of law by an **Insured Organisation**;
- d. disclosing or threatening to disclose to a superior or to any governmental agency any alleged violations of law; or
- e. filing or pursuing any claim against an **Insured Organisation** under any "whistle blower" law anywhere in the world.

Stock Benefits means any offering, plan or agreement between an **Insured Organisation** and any **Executive Officer** or **Employee** which grants stock, stock warrants, stock options or stock appreciation rights in an **Insured Organisation** to such **Executive Officer** or **Employee**, including but not limited to restricted stock or any other stock grant or compensation or incentive granted in the form of securities of such **Insured Organisation**. **Stock Benefits** shall not include Employee Stock Ownership Plans or Employee Stock Purchase Plans.

Subsidiary means, at the time of the occurrence of a **Wrongful Act**, any organisation in which more than 50% of the issued shares or voting rights representing the present right to vote for election of directors of such organisation is or was owned or controlled, directly or indirectly, in any combination, by an **Insured Organisation**.

Third Party Internet Site means web sites that are not owned, controlled, leased, administered, maintained or provided by an **Insured Organisation**.

Trust Fund means any fund designated in Item 5 of the Schedule which fund has been established and registered as a trust in accordance with the Indian Trust Act, 1882 for employment related benefits.

Trustee means any person who was, now is or shall be duly appointed as a trustee of a **Trust Fund** in accordance with the governing rules of such **Trust Fund** or by a court or pursuant to a statute.

Trustees Claim means:

- a. a written demand for monetary damages or non-pecuniary relief;
 - b. a civil proceeding including a third party proceeding or counterclaim;
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- c. an arbitration, mediation or alternative dispute resolution proceeding;
 - d. a criminal proceeding;
 - e. a formal administrative or formal regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document,
-
- against any **Insured** for a **Wrongful Act**, including any appeal therefrom.

Workplace Tort means any:

- a. employment-related negligent or intentional misrepresentation;
- b. employment-related defamation, negligent evaluation, or wrongful discipline;
- c. employment-related negligent retention, supervision, hiring or training;
- d. employment-related infliction of emotional distress, mental anguish or humiliation; or
- e. failure to provide or consistently enforce employment-related corporate policies and procedures.

Wrongful Act means:

- a. with respect to an **Employment Claim**, any **Employment Practices Wrongful Act**;
- b. with respect to a **D&O Claim**, any act or omission, including but not limited to any error, misstatement, misleading statement, neglect, breach of trust, breach of duty or breach of warranty of authority committed, attempted or allegedly committed or attempted, before or during the **Policy Period**, by an **Insured Person**, individually or otherwise or any matter claimed against him solely by reason of his serving in his **Insured Capacity**;
- c. With respect to an **ODL Claim** any act or omission, including but not limited to any error, misstatement, misleading statement, neglect, breach of trust, breach of duty or breach of warranty or authority committed, attempted or allegedly committed or attempted, before or during the **Policy Period**, by an **Insured Person** serving in an **Outside Directorship**, individually or otherwise, or any matter claimed against him solely by reason of his serving in such **Outside Directorship**;
- c. with respect to an **Internet Claim** any libel, slander, or other oral or written publication of defamatory or disparaging material committed, attempted or allegedly committed or attempted, by an **Insured Organisation**; by any person for whose **Wrongful Acts** such **Insured Organisation** is legally liable; or by any **Insured Person** in his capacity as such, solely in connection with **Internet Activities** by or on behalf of such **Insured Organisation**;
- d. With respect to a **Trustee Claim**, any act or omission, including but not limited to an error, misstatement, misleading statement, neglect, breach of trust or breach of duty committed, attempted, or allegedly committed or attempted, by an **Insured**, individually or otherwise, before or during the **Policy Period**, in the management of a **Trust Fund**.



Wrongful Employment Decision means any wrongful or unreasonable demotion, denial of tenure, failure or refusal to hire or promote, variation of the terms of an employment contract or denial of natural justice.

Wrongful Termination means any wrongful or unreasonable termination, dismissal or discharge of employment, including constructive termination, dismissal or discharge.

Any words in bold print in this **Coverage Section** not defined herein shall have the meaning indicated in Section 2. GENERAL DEFINITIONS, of the General Terms and Conditions.

Exclusions

Exclusions Applicable to any Claim

5. The Company shall not be liable for **Loss** on account of any **Claim**:
- a. based upon, arising from, or in consequence of any **Wrongful Act**, fact or circumstance if notice of such **Wrongful Act**, fact or circumstance can be or has been given under any policy for which this **Coverage Section** is a renewal or replacement or which it may succeed in time;
 - b. based upon, arising from, or in consequence of **Pollution**. However, this exclusion shall not apply to an **Employment Claim** for **Retaliation**;
 - c. based upon, arising from, or in consequence of any demand, suit or proceeding pending against, or order, decree or judgment entered for or against an **Insured** or **Outside Entity** on or prior to the Pending or Prior Date set forth in (i) the Schedule or (ii) any scheduled **Outside Entity** endorsement, or the same or substantially the same **Wrongful Act**, fact or circumstance underlying or alleged therein provided however that (ii) shall only apply to any **Claim** based upon, arising from or in consequence of any **Outside Directorship**;
 - d. for bodily injury, mental anguish, humiliation, emotional distress, sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof, whether or not it is damaged or destroyed. However, this exclusion shall not apply to mental anguish, humiliation or emotional distress asserted in an **Employment Claim**;
 - e. based upon, arising from, or in consequence of any act or omission, including but not limited to an error, misstatement, misleading statement, neglect, breach of trust or breach of duty committed, attempted or allegedly committed or attempted in connection with the actual or alleged rendering of, or actual or alleged failure to render, any **Professional Services**;
 - f. brought or maintained by or on behalf of any individual or entity which, directly or indirectly, beneficially owns fifteen percent (15%) or more of the issued share capital or voting rights representing the present right to vote for election of



directors of an **Insured Organisation**;

- g. brought or maintained by or on behalf of any heir, legal representative, assign or relative (whether related by consanguinity or affinity) of any **Insured** ; or
- h. for any actual or alleged violation of the responsibilities, obligations or duties owed by fiduciaries, trustees, administrators or any person charged with duties with respect to any superannuation, pension, profit sharing, health and welfare or employee benefit plan or trust established or maintained for the purpose of providing pensions, annuities or any form of benefits whatsoever to employees of an **Insured Organisation**. This includes but is not limited to an actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 (USA), the Indian Employees Provident Fund and Miscellaneous Provisions Act, 1952, the Indian Employees State Insurance Act, 1948, the Indian Payment of Bonus Act, 1965, the Indian Payment of Gratuity Act, 1972, the Indian Maternity Benefits Act, the Indian Factories Act, 1961, and amendments thereto, or similar provisions of any law anywhere in the world. However, this exclusion shall not apply to:
 - 1. an **Employment Claim for Retaliation**; or
 - 2. a **Trustees Claim**.

Exclusions Applicable to any Employment Claim

- 6. The Company shall not be liable for **Loss** on account of any **Employment Claim**:
 - a. based upon, arising from, or in consequence of any actual or alleged obligation of an **Insured** pursuant to any workers compensation, unemployment insurance, social security, disability benefits or similar law, regulation or by-law anywhere in the world. However, this exclusion shall not apply to an **Employment Claim for Retaliation** ;
 - b. based upon, arising from, or in consequence of the liability of others, other than an **Employee**, assumed by an **Insured** under any contract or agreement, including without limitation any contract formed electronically pursuant to the Indian Information Technology Act, 2000, as amended, or otherwise, except to the extent that the **Insured** would have been liable in the absence of the contract;
 - c. for breach of duties, obligations or responsibilities under or pursuant to any law, regulation or by-law regulating **Employee Entitlements** anywhere in the world;
 - d. for any salary, wages or commissions or any specified amount of money required to be paid:
 - i. in respect or in lieu of a notice requirement or notice period;
 - ii. pursuant to an express written obligation to make payments in the event of the termination of employment, including, without limitation in the event of redundancy, retrenchment or retirement;



- e. for any actual or alleged breach of an **Independent Contractor Services Agreement**; or
 - f. based upon, arising from, or in consequence of any public or private offering, solicitation, sale, distribution or issuance of securities of an **Insured Organisation**, whether or not a prospectus, information memorandum or other offering document has been issued. However this exclusion shall not apply to an **Employment Claim** for **Retaliation**.
7. The Company shall not be liable for **Loss** on account of any **Employment Claim**, other than **Defence Costs**, in relation to the following:
- a. **Benefits** due or to become due or the equivalent value of such **Benefits**. However, this exclusion shall not apply to any **Employment Claim** for **Wrongful Termination**;
 - b. future salary, wages, commissions, damages or economic relief, if an **Insured Organisation** is ordered, pursuant to a judgment, determination or final adjudication of a court or tribunal, but fails to hire, promote or reinstate the claimant as an **Employee**; or
 - c. any order for, grant of, or agreement to provide non-pecuniary relief.
8. The Company shall not be liable for **Loss** on account of any **D&O Claim**:
- a. brought or maintained by or on behalf of any **Insured** except:
 - i. a **D&O Claim** that is a derivative action brought or maintained on behalf of an **Insured Organisation** by one or more persons who are not **Insured Persons** and who bring and maintain such **D&O Claim** without the active solicitation by, or assistance or participation of any **Insured**;
 - ii. a **D&O Claim** brought or maintained by an **Insured Person** for contribution or indemnity, if such **D&O Claim** directly results from another **D&O Claim** covered under this **Coverage Section**;
 - iii. a **D&O Claim** that is brought or maintained on behalf of an **Insured Organisation** by an **External Administrator** who brings and maintains such **D&O Claim** without the active assistance or participation of, or solicitation by, an **Insured Person**;
 - iv. a **D&O Claim** that is caused to be brought in the name of an **Insured Organisation** pursuant to Chapter VI of the Indian Companies Act, 1956, as amended, or analogous provisions of any legislation anywhere in the world;
 - v. a **D&O Claim** brought or maintained by or on behalf of any **Insured Person** who has ceased to serve in the positions referred to in the definition of **Insured Person**, such **D&O Claim** being brought or maintained without the active assistance or participation of, or solicitation by, an **Insured Organisation** or any **Insured Person** serving in such position at the time such **D&O Claim** is brought or

Exclusions Applicable to any D&O Claim



- vi. maintained; or
 - for **Defence Costs** provided that any such **D&O Claim** is brought and maintained solely and entirely in, or is subject to the substantive and procedural laws of, a jurisdiction other than the United States of America or any territory under its jurisdiction;
- b. based upon, arising from, or in consequence of:
- i. an **Insured Person** having gained any personal profit, remuneration or advantage to which such **Insured Person** was not legally entitled;
 - ii. any deliberately fraudulent act or omission or any wilful violation or breach of any law, regulation or by-law anywhere in the world or duty imposed by any such law, regulation or by-law by such **Insured Person**,
- provided that this exclusion shall not apply (including, for the avoidance of doubt, to the Company's obligation to advance **Defence Costs** under this **Coverage Section**) until an admission by such **Insured Person** or a final adjudication establishes such a deliberately fraudulent act or omission, wilful violation or breach or personal profit, remuneration or advantage;
- c. for an accounting of profits made from the purchase or sale by an **Insured Person** of securities of an **Insured Organisation** where such **Insured Person** has improperly benefited as a result of information that is not available to other sellers or purchasers of such securities; or
- d. based upon, arising from, or in consequence of any public or private offering, solicitation, sale, distribution or issuance of securities of an **Insured Organisation**, whether or not a prospectus, information memorandum or other offering document has been issued, unless it is agreed in writing by the Company to extend cover for such prospectus, information memorandum or offering document.

Exclusions Applicable to Any Trustees Claim

9. The Company shall not be liable for **Loss** on account of any **Trustees Claim**:
- a. based upon, arising from, or in consequence of:
- i. an **Insured Person** having gained in fact any personal profit, remuneration or advantage to which such **Insured Person** was not legally entitled;
 - ii. any deliberately fraudulent act or omission or any wilful violation or breach of any law, regulation or by-law anywhere in the world or duty imposed by any such law, regulation or by-law by an **Insured Person**;
- provided that this exclusion shall not apply (including, for the avoidance of doubt, to the Company's obligation to advance **Defence Costs** under this **Coverage Section**) until an admission by such **Insured Person** or a final adjudication establishes such a deliberately fraudulent act or omission, wilful violation or breach or personal profit, remuneration or advantage;
- b. based upon, arising from, or in consequence of any liability assumed by an **Insured** under any contract, except to the extent



such liability would have attached to the **Insured** even in the absence of such contract or unless the liability was assumed in accordance with or under the agreement or declaration of trust pursuant to which a **Trust Fund** was established;

10. The Company shall not be liable for **Loss** on account of any **Trustees Claim**, other than **Defence Costs**, in relation to:
- a. **Benefits** due or to become due to a beneficiary of a **Trust Fund** unless, and to the extent that the **Benefits** are payable by an **Insured Person** as a personal obligation;
 - b. the failure or alleged failure to collect from an **Insured Organisation** contributions payable to a **Trust Fund** unless the failure results from the negligence of an **Insured**; or
 - c. the return, refund, reversion or repatriation to an **Insured Organisation** of any contribution to or assets of a **Trust Fund**.

Exclusions Applicable to any Internet Claim

11. The Company shall not be liable for **Loss** on account of any **Internet Claim** made against any **Insured**:
- a. based upon, arising from or in consequence of any actual or alleged violation of any law, regulation or by-law anywhere in the world which regulates or restricts anti-trust or monopolistic behaviour or practices, price fixing, price discrimination, predatory pricing or restraint of trade, or which protects competition;
 - b. based upon, arising from, or in consequence of the liability of others assumed by an **Insured** under any contract or agreement, including without limitation any contract formed electronically pursuant to the Indian Information Technology Act, 2000, as amended, or otherwise, except to the extent that the **Insured** would have been liable in the absence of the contract;
 - c. based upon, arising from, or in consequence of any actual or alleged:
 - i. inaccurate or misleading description of the price or quality or fitness of purpose of any **Product**; or
 - ii. failure of any **Product** to conform with any advertised standard of quality, performance or fitness for purpose or otherwise to satisfy any standard of quality, performance or fitness for purpose;
 - d. based upon, arising from, or in consequence of any assertion or infringement of copyright, patent, service mark, trade name, design right or trade mark, whether registrable or not, or misappropriation of ideas or trade secrets or know how or any assertion or infringement of any intellectual property right;
 - e. based upon, arising from or in consequence of any actual or alleged violation of any law, regulation or by-law anywhere in the world imposing liability in connection with the offer, sale or purchase of securities;
 - f. brought or maintained by or on behalf of any **Insured**;



- g. based upon, arising from or in consequence of any actual or alleged act or omission in connection with any contest, lottery or promotional game or any game of chance whatsoever;
- h. brought or maintained by or on behalf of any writer, lyricist, artist or any person, or such person's heirs or assigns, seeking against an **Insured** an accounting or recovery of profits, royalties, fees or any other amounts whatsoever alleged to be due, or any **Internet Claim** by any such person against an **Insured** alleging excessive or unwarranted fees, compensation, or whatsoever charges of any kind imposed or attempted to be imposed by an **Insured**;
- i. brought by any regulatory agency or administrative body anywhere in the world;
- j. based upon, arising from, or in consequence of any loss or misuse of confidential information, material or data;
- k. based upon, arising from or in consequence of a **Cyber Attack**;
or
- l. based upon, arising from, or in consequence of any fraudulent, criminal or malicious act or omission or any willful violation or breach of any law, regulation or by-law anywhere in the world or duty imposed by any such law, regulation or by-law by any **Insured**.

Exclusions Applicable to any ODL Claim

12. The Company shall not be liable for **Loss** on account of any **ODL Claim**:
- a. brought or maintained by or on behalf of the **Outside Entity**, or one or more of the **Outside Entity's** company directors, officers, trustees, governors, councillors, company secretaries or individuals in equivalent positions, except:
 - i. an **ODL Claim** that is a derivative action brought or maintained on behalf of an **Outside Entity** by one or more persons who are neither **Insured Persons** serving in an **Outside Directorship** nor company directors, officers, trustees, governors, councillors, company secretaries or individuals in equivalent positions in any jurisdiction and who bring and maintain such **ODL Claim** without the active solicitation by, or assistance or participation of any **Insured** or the company directors, officers, trustees, governors, councillors, company secretaries or holders of equivalent positions in any jurisdiction of the **Outside Entity**;
 - ii. an **ODL Claim** brought or maintained by an **Insured Person** serving in an **Outside Directorship** with the **Outside Entity** for contribution or indemnity, if such **ODL Claim** directly results from another **ODL Claim** covered under this **Coverage Section**;



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- iii. an **ODL Claim** that is brought or maintained on behalf of an **Outside Entity** by an **External Administrator** who brings and maintains such **ODL Claim** without the active assistance or participation of, or solicitation by, any **Insured** nor the company directors, officers, trustees, governors, councillors, company secretaries or holders of equivalent positions in any jurisdiction, with the **Outside Entity**;
 - iv. an **ODL Claim** that is caused to be brought in the name of the **Outside Entity** pursuant to Chapter VI of the Indian Companies Act 1956, as amended, or analogous provisions of any legislation anywhere in the world;
 - v. an **ODL Claim** brought or maintained by or on behalf of any **Insured Person** who has ceased to serve in the positions referred to in the definition of **Insured Person**, such **ODL Claim** being brought or maintained without the active assistance or participation of, or solicitation by, an **Insured Organisation** or any **Insured Person** serving in such position at the time such **ODL Claim** is brought or maintained or one or more of the **Outside Entity's** company directors, officers, trustees, governors, councillors, company secretaries or holders of equivalent positions in any jurisdiction; or
 - vi. for **Defence Costs** provided that such **ODL Claim** is brought and maintained solely and entirely or subject to the substantive and procedural laws of a jurisdiction other than the United States of America or any territory under its jurisdiction;
- b. based upon, arising from, or in consequence of:
- i. an **Insured Person** serving in an **Outside Directorship** having gained any personal profit, remuneration or advantage to which such **Insured Person** was not legally entitled;
 - ii. any deliberately fraudulent act or omission or any wilful violation or breach of any law, regulation or by-law anywhere in the world or duty imposed by any such law, regulation or by-law by an **Insured Person** serving in an **Outside Directorship**,
- provided that this exclusion shall not apply (including, for the avoidance of doubt, to the Company's obligation to advance **Defence Costs** in accordance with this **Coverage Section**) until an admission by such **Insured Person** or a final adjudication establishes such a deliberately fraudulent act or omission, wilful violation or breach or personal profit, remuneration or advantage;
- c. for an accounting of profits made from the purchase or sale by an **Insured Person** serving in an **Outside Directorship** of securities of an **Outside Entity** where such **Insured Person** has improperly benefited as a result of information that is not available to other sellers or purchasers of such securities;
 - d. for **Wrongful Acts** committed, attempted or allegedly committed or attempted after the date such **Insured Person** ceases to serve in the **Outside Directorship**; or
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- e. based upon, arising from, or in consequence of any public or private offering, solicitation, sale, distribution or issuance of securities of the **Insured Organisation**, whether or not a prospectus, information memorandum or other offering document has been issued, unless it is agreed in writing by the Company to extend cover for such prospectus, information memorandum or offering document.

Severability of Exclusions

13. With respect to exclusion 8. b, 8. c, 9.a, 11.I, 12.b or 12. c .of this **Coverage Section**, in order to determine if coverage is available:
- a. no fact pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person**; and
 - b. only facts pertaining to and knowledge possessed by any past, present or future chief financial officer, in-house general counsel, risk manager, chief executive officer, president, managing director or chairman, or holder of an equivalent position in any jurisdiction, of any **Insured Organisation** or **Trustee** (that is a body corporate) shall be imputed to such **Insured Organisation** or **Trustee**.

Limit of Liability and Deductible

14. The Company's maximum liability for **Loss** on account of each **Claim** covered under any applicable Insuring Clause hereunder shall be the Insuring Clause Limit of Liability for that Insuring Clause as set forth in Item 1 of the Schedule.

The Company's maximum aggregate liability for **Loss** on account of all **Claims** first made during the **Policy Period**, whether covered under one or more Insuring Clauses and for all Insuring Clauses hereunder, shall be the Maximum Limit of Liability for the **Liability Coverage Section** Insuring Clauses each **Policy Period** as set forth in Item 5. of the Schedule. Unused Limits of Liability in a **Policy Period** may not be applied to and used in any subsequent **Policy Period**.

The Company's maximum aggregate liability for this **Coverage Section** and the **Crime Coverage Section**, combined, under this policy during a **Policy Period** shall be the Combined Maximum Aggregate Limit of Liability for all **Coverage Sections** set forth in Item 3(C) of the Declarations for the General Terms and Conditions.

Defence Costs are part of, and not in addition to, the applicable Limit of Liability set forth in Item 1 of the Schedule, and the payment by the Company of **Defence Costs** shall reduce and may exhaust such Limit of Liability.

The Company's liability under this **Coverage Section** shall apply only to that part of covered **Loss** which is excess of the applicable Deductible Amount set forth in Item 2 of the Schedule. Such Deductible Amount shall be depleted only by **Loss** otherwise covered by this **Coverage Section** and shall be borne by the **Insureds** uninsured at their own risk. No Deductible Amount shall apply to any **Loss** under Insuring Clause A(1) or Insuring Clause C(1) of this **Coverage Section**.



If different parts of a single **Claim** are subject to different Deductible Amounts, then the applicable Deductible Amount shall be applied separately to each part of such **Claim**, but the sum of such Deductible Amounts shall not exceed the largest applicable Deductible Amount.

In the event that:

- i. a final adjudication with prejudice pursuant to a trial, motion to dismiss or a motion for summary judgment of any **Claim**; or
- ii. a complete and final settlement with prejudice of any **Claim**, establishes that none of the **Insureds** in such **Claim** are liable for any **Loss**, no Deductible Amount shall apply to **Defence Costs** incurred in connection with such **Claim**, and the Company will reimburse the **Insureds** for any covered **Defence Costs** paid by the **Insureds** within the Deductible Amount otherwise applicable to such **Claim**.

All **Related Claims** shall be treated as a single **Claim** first made on the date the earliest of such **Related Claims** was first made, or on the date the earliest of such **Related Claims** is treated as having been made in accordance with section 20. Reporting and Notice, of this **Coverage Section**, regardless of whether such date is before or during the **Policy Period**.

The Limit of Liability available during the Extended Reporting Period, if granted, shall be part of and not in addition to the Limits of Liability for the immediately preceding **Policy Period**.

**Presumptive
Indemnification**

15. With respect to a **D&O Claim** or **ODL** only, if an **Insured Organisation** is permitted or required by law to indemnify or is not prevented by law from indemnifying an **Insured Person** for **Loss** but fails or refuses, other than for reason of **Financial Impairment**, to so indemnify an **Insured Person** then the Company shall pay such **Loss** on behalf of such **Insured person**. In such event the applicable Deductible Amount set forth in Item 2 of the Schedule shall be paid by an **Insured Organisation** to the Company. No Deductible Amount shall apply in the event of **Financial Impairment**.

2. If an **Insured Organisation**, a **Trust Fund** and/or a **Trustee** which is a body corporate:

- a. fail or refuse, other than for reason of **Financial Impairment** to indemnify an **Insured** for **Loss**; and
- b. are permitted or required by law to indemnify the **Insured** for such **Loss**, to the fullest extent permitted by law, or are not prevented by law from indemnifying such **Insured** for such **Loss**;

then, notwithstanding any other conditions or terms of this **Coverage Section** to the contrary, any payment by the Company of such **Loss** pursuant to Insuring Clause A(1) shall be subject to the Deductible Amount set forth in Item 2 C(2) of the Schedule and all the exclusions in sections 5, 9 and 10 of this **Coverage Section**.



Defence and Settlement

16. The Company shall have the right but not the duty to defend any **Claim**, other than a **D&O Claim** or **ODL Claim**, covered by this **Coverage Section**. With respect to a **D&O Claim** or **ODL Claim** only, it shall be the duty of the **Insured Person** and not the duty of the Company to defend such **D&O Claim** or **ODL Claim**.

If the Company assumes the duty to defend any **Claim**, other than a **D&O Claim** or **ODL Claim**, covered by this **Coverage Section**, coverage shall apply even if any of the allegations are groundless, false or fraudulent. The Company's duty to defend any **Claim** shall cease upon exhaustion of the Limit of Liability.

Each **Insured** agrees to provide the Company with all information, assistance and co-operation which the Company reasonably requires, including, without limitation, for the purposes of any investigation the Company makes, in its absolute discretion.

Each **Insured** agrees that in the event of a **Claim** such **Insured** will do nothing that may prejudice the Company's position or its potential or actual rights of recovery.

Each **Insured** agrees not to settle any **Claim**, or convey any offer of settlement to any claimant with regard to any **Claim**, incur any **Defence Costs**, or assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's prior written consent. The Company shall not be liable for any **Defence Costs**, any other element of **Loss** incurred, any obligation assumed or any admission made by any **Insured** without the Company's prior written consent.

With respect to any **Claim** that appears reasonably likely to be covered in whole or in part under this **Coverage Section**, the Company shall have the right and shall be given the opportunity to effectively associate with, and to be consulted in advance by, each **Insured** regarding the investigation, defence and settlement of such **Claim**, including negotiating any settlement of any **Claim** that appears reasonably likely to be covered in whole or in part by this **Coverage Section**.

The Company may make any investigation it deems necessary and may, with the consent of the **Insured**, make any settlement of any **Claim**, other than a **D&O Claim** or **ODL Claim**, it deems expedient. If such **Insured** withholds consent to any settlement acceptable to the claimant in accordance with the Company's recommendation (a "Proposed Settlement"), then the Company's liability for all **Loss** on account of such **Claim**, other than a **D&O Claim** or **ODL Claim**, shall not exceed the amount of the Proposed Settlement plus **Defence Costs** incurred up to the date of the **Insured's** refusal to consent to the Proposed Settlement.

Subject to the provisions of this section, where the Company assumes the duty to defend any **Claim**, other than a **D&O Claim** or **ODL Claim**, covered under this **Coverage Section**, an **Insured** shall have the right to associate with the Company in the defence of such **Claim**, including but not limited to negotiating settlement.

With respect to any consents required under this section, (a) provided



the **Insured** complies with the obligations set forth in this section, the Company shall not unreasonably withhold its consent; and (b) the **Insured** shall not unreasonably withhold such consent.

Advancement of Defence Costs

17. In the event that the Company does not assume the duty to defend a **Claim**, it shall, prior to the final disposition of such **Claim**, advance **Defence Costs** within thirty (30) days of receipt of an invoice for same from defence counsel.

Any advance payment of **Defence Costs** under this **Coverage Section** shall be repaid to the Company by the **Insureds**, severally according to their respective interests, if and to the extent it is determined that such **Defence Costs** are not insured under this **Coverage Section**.

Allocation

18. Where a **Claim**:
- (a) includes both matters covered and matters that are not covered by this **Coverage Section**; or
 - (b) is made against a person or organisation other than an **Insured**,
- the Company and the **Insured** shall allocate any amounts incurred by the **Insured**:
- (1) based upon the relative legal and financial exposures of the **Insured** to matters covered and matters not covered by this **Coverage Section**; and
 - (2) in the event of a settlement in such **Claim**, based also on the relative benefits to the **Insured** from such settlement.

If the **Insured** and the Company cannot agree on an allocation of **Loss**:

- a. no presumption as to allocation shall exist in respect of disagreement between the **Insured** and the Company regarding allocation;
- b. the Company shall advance such portion of **Defence Costs** which the Company believes, in its sole discretion, to be covered under this **Coverage Section** unless and until a different and final allocation is mutually agreed upon between the **Insured** and the Company or arbitrated in accordance with this section or judicially determined;
- c. the Company may, in its sole discretion, pay such portion of **Loss**, other than **Defence Costs**, which it believes to be covered under this **Coverage Section** unless and until a different and final allocation is mutually agreed upon between the **Insured** and the Company or arbitrated in accordance with this section or judicially determined;
- d. the Company, if requested by the **Insured**, shall submit any disagreement between them regarding the allocation of **Loss**, other than **Defence Costs**, for determination by binding arbitration in accordance with Section 19, Grievance Redressal & Arbitration, of the General Terms and Conditions. The costs of arbitration undertaken in accordance with this section shall be borne the Company;
- e. any mutually agreed upon, arbitrated or judicially determined



allocation of **Loss** shall be applied retroactively to all such **Loss** notwithstanding any prior payment or advancement, as the case may be, to the contrary; and

- f. any allocation, advancement or payment of **Defence Costs** shall not apply to or create any presumption with respect to the allocation of **Loss**, other than **Defence Costs**, on account of a **Claim**.

Representations and Severability

19. The **Proposal** shall be construed as a separate proposal for coverage by each **Insured Person**.

No statement, representation or information provided in the **Proposal** by an **Insured Person** or knowledge possessed by such **Insured Person** shall be imputed to any other **Insured Person** for the purpose of determining if coverage is available under this policy.

The knowledge of any **Insured Person** who is a past, present or future chief financial officer, in-house general counsel, president, chief executive officer, managing director, chairman or holder of an equivalent position in any jurisdiction of any **Insured Organisation** or **Trustee** that is a body corporate shall be imputed to such **Insured Organisation** or **Trustee** that is a body corporate for the purpose of determining if coverage is available under this **Coverage Section**.

Reporting and Notice

20. The **Insureds** shall, as a condition precedent to exercising any right under this **Coverage Section**, give the Company written notice of any **Claim** as soon as practicable, but in no event later than:
- a. sixty (60) days after the effective date of the expiration or termination of this **Coverage Section**, provided that no Extended Reporting period is granted by the Company; or
 - b. the expiration of the Extended Reporting Period, if granted by the Company.

If during the **Policy Period**, an **Insured** becomes aware of any circumstances which could give rise to any **Claim**, other than an **Employment Claim**, and gives written notice of such circumstances to the **Company** as soon as practicable thereafter but before the termination or cancellation of the **Coverage Section**, then any **Claim** subsequently arising from such circumstances shall be deemed to have been first made during the **Policy Period** in which the written notice was first given to the Company. With respect to any such subsequent **Claim**, there is no coverage under this **Coverage Section** for loss incurred prior to the date such subsequent **Claim** is actually made.

In order to make a **Claim** or provide notice of relevant circumstances, the **Principal Organisation** shall, as a condition precedent to exercising any right under this **Coverage Section**, provide written notice of such **Claim** or circumstances to the Company. Such written notice shall include:

1. a description of the **Claim** or circumstances;
2. the nature of the alleged **Wrongful Act**;
3. the nature of the alleged or potential loss;
4. the names of actual or potential claimants;



5. the names of actual or potential defendants; and
6. the manner in which the **Insured** first became aware of the **Claim** or circumstances.

In addition to and in support of the written notice of **Claim** or relevant circumstances, the **Principal Organisation** shall provide to the Company any and all documents relevant to such **Claim** or circumstances including but not limited to internal or external records of any kind, correspondence, legal documents or other documents as the Company may deem necessary for the handling of the **Claim** or circumstances. The **Insured** shall further extend to the Company such co-operation as the Company may reasonably require in the handling of the **Claim** or circumstances.

Such complete written notice and supporting documentation shall form the basis of the Company's assessment of the **Claim** or circumstances.

Changes in Exposure
*Acquisition or Creation of
Another Organisation*

21. a. Subject to b. below, if an **Insured Organisation** during a **Policy Period**:
 - i. acquires securities or voting rights in another organisation or creates another organisation which as a result of such acquisition or creation becomes a **Subsidiary**; or
 - ii. acquires any organisation by merger into or consolidation with itself such that the **Insured Organisation** is the surviving entity,
then such organisation and the **Insured Persons** in relation thereto shall be **Insureds** under this **Coverage Section** solely for **Wrongful Acts** occurring after the date of such acquisition or creation.
- b. If:
 - i. the total assets of such acquired or created organisation at the time of its acquisition or creation exceeds twenty-five per cent (25%) of the total assets of the **Insured Organisation** as reflected in the most recent audited, consolidated financial statements of the **Insured Organisation** and, in the case of such acquisition, the acquired organization; or
 - ii. such acquired or created organisation is located, incorporated, domiciled or operates in or has securities listed on an exchange in the United States of America or any territory under its jurisdiction,
the **Principal Organisation** shall give written notice of such acquisition or creation to the Company as soon as practicable, but no later than sixty (60) days after the date of such acquisition or creation, together with such information as the Company may require and shall pay any additional premium reasonably required by the Company. If the **Principal Organisation** fails to give such notice within the time specified in the preceding sentence, or fails to pay the additional premium required by the Company, coverage for such acquired or created organisation and the **Insured Persons** in relation thereto shall terminate with respect to **Claims** first made more than sixty (60) days after such acquisition or creation.



Coverage for any acquired or created organisation and the **Insured Persons** in relation thereto pursuant to this section shall be subject to such additional or different terms and conditions as the Company, in its sole discretion, may require.

Cessation of Subsidiaries

22. If an organisation ceases to be a **Subsidiary**, before or during a **Policy Period**, then coverage shall continue for such **Subsidiary** and the **Insured Persons** in relation thereto until the termination of this **Coverage Section**, or any renewal thereof, but solely for **Claims** for **Wrongful Acts** occurring prior to the date such organisation ceased to be a **Subsidiary**.

Merger or Acquisition of Insured Organisation

23. If, during a **Policy Period**, any of the following events occur:

- (a) another organisation or person or group of organisations or persons acting in concert acquires all or substantially all of the **Insured Organisation's** assets;
- (b) the **Insured Organisation** merges into or consolidates with another organisation such that the **Insured Organisation** is not the surviving organisation; or
- (c) another organisation or person or group of organisations or persons acting in concert acquires securities or voting rights which result in ownership or voting control by the other organisation(s) or person(s) of more than fifty percent (50%) of the outstanding securities representing the present right to vote for the election of directors of the **Insured Organisation**,

then coverage shall continue until the expiration of this **Coverage Section**, solely for **Claims** for **Wrongful Acts** occurring prior to such event.

In the event any event as set forth in paragraphs (a) through (c) above occurs, the entire premium for this policy will be deemed fully earned as of the occurrence of such event.

Participation in Another Trust Fund

24. With respect to Coverage under Insuring Clause 1.C only of this **Coverage Section**, if, during the **Policy Period**:

- a. an **Insured Organisation** commences to participate in a trust fund or retirement income or pension benefit program not covered by this **Coverage Section** ("Inception Event");
- b. the trustees of such trust fund or retirement income or pension benefit program and an **Insured Organisation** wish to extend cover under this **Coverage Section** in respect of such fund or program;
- c. the **Principal Organisation** give written notice to that effect to the Company as soon as practicable, but in any event no later than sixty (60) days, after the Inception Event together with such additional information as the Company may require; and
- d. the **Principal Organisation** pay any reasonable additional premium required by Company,

then such trust fund or program is deemed to be a **Trust Fund** to which this **Coverage Section** applies.



		Coverage under Insuring Clause 1.C, shall be afforded, subject to the terms and conditions of this policy, from the date of the Inception Event for the Insureds of that Trust Fund , but only for Wrongful Acts occurring after the date of the Inception Event, unless the Company agrees, after presentation of a complete Proposal and all appropriate information, to provide coverage by endorsement for Wrongful Acts occurring prior to such date.
<i>Termination of any Trust Fund</i>	25.	With respect to coverage under Insuring Clause 1.C only of this Coverage Section , if an Insured Organisation or a Trustee terminates any Trust Fund before or after the inception date of this Coverage Section , then coverage with respect to such terminated Trust Fund shall continue until termination of this Coverage Section for those who were Insureds at the time of such Trust Fund termination, or who would have been Insureds at the time of such termination if this Coverage Section had been in effect, with respect to Wrongful Acts occurring prior to the date of such Trust Fund termination. The Insureds shall give written notice to the Company of such Trust Fund termination as soon as is practicable, but in any event no later than sixty (60) days of such Trust Fund termination, together with such information as the Company may require.
Outside Directorship Conditions	26.	Any coverage under this Coverage Section for any Outside Directorship is: (1) not available to the Outside Entity in which such Outside Directorship is held or to any of the other company directors, officers, trustees, governors, councillors, company secretaries or holders of equivalent positions in any jurisdiction or employees of such Outside Entity ; and (2) specifically excess of any insurance policies, whether or not specified in the Proposal , and any indemnity available from such Outside Entity to such Insured Person by reason of serving in such Outside Directorship .

STATUTORY NOTICE: "INSURANCE IS THE SUBJECT MATTER OF SOLICITATION"

